

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT

NASHVILLE, TENNESSEE

January 3, 2002

IN RE:

**PETITION OF ON-SITE SYSTEMS, INC. TO AMEND ITS
CERTIFICATE OF CONVENIENCE AND NECESSITY**

)
)
) **DOCKET NO.**
) **01-01025**

**ORDER APPROVING PETITION OF ON-SITE SYSTEMS, INC.
TO AMEND ITS CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

This matter came before the Tennessee Regulatory Authority (the "Authority") at a regularly scheduled Authority Conference held on December 18, 2001, to consider the Petition (the "Petition") of On-Site Systems, Inc. ("On-Site") to amend its Certificate of Public Convenience and Necessity ("CCN") to expand its service area to include a development in Bedford County known as the Horseshoe Bend Condominiums ("Horseshoe Bend").

Legal Standard for Granting CCN

On-Site's Petition was made pursuant to and was considered in light of the criteria for granting a CCN as set forth in Tenn. Code Ann. § 65-4-201, which provides, in pertinent part:

(a) No public utility shall establish or begin the construction of, or operate any line, plant, or system, or route in or into a municipality or other territory already receiving a like service from another public utility, or establish service therein, without first having obtained from the authority, after written application and hearing, a certificate that the present or future public convenience and necessity require or will require such construction, establishment, and operation, and no person or corporation not at the time a public utility shall commence the construction of any plant, line, system or route to be operated as a public utility, or the operation of which would constitute the same, or the owner or operator thereof, a public utility as defined by law, without having first obtained, in like manner, a similar certificate . . .

Background

On April 4, 1994, On-Site received a CCN in Docket No. 93-09040 from the Tennessee Public Service Commission to provide wastewater service to the Oakwood Subdivision in Maury County. Since that time, through various other dockets, On-Site has been granted approval to expand its service territory to include other areas in Tennessee.

Petition to Amend CCN

On November 26, 2001, On-Site filed its Petition to amend its CCN to expand its service area to include Horseshoe Bend. A map showing the area to which On-Site proposes to extend service is attached to its Petition. In its Petition, On-Site states that at present neither the Shelbyville Power Water and Sewerage System, which is the water supplier for the area where Horseshoe Bend is located, the Bedford County Utility District, nor the County of Bedford has the desire or ability to provide wastewater service to the Horseshoe Bend area. With its Petition, On-Site submitted a letter dated October 24, 2001 from David H. Crowell, General Manager of the Shelbyville Power Water and Sewerage System, stating that the System has no plans to provide wastewater services to the Horseshoe Bend development. In addition, On-Site submitted a letter dated November 9, 2001 from Julian E. Troupe, President of the Bedford County Utility District, stating that the Board of Commissioners of the District voted at its regular meeting on November 8, 2001 not to provide wastewater services to the Horseshoe Bend development. On-Site also submitted a letter dated November 13, 2001 from Jimmy Woodson, Bedford County Executive, stating that Bedford County has no plans to provide wastewater service in the near future to the Horseshoe Bend development.

On-Site filed a rate schedule in this docket which states that residential rates for Horseshoe Bend will be as follows:

Total monthly charge	\$35.11
Non-payment fee	5% of monthly charge

Disconnection fee	\$10
Reconnection fee	\$15
Returned check fee	\$20
Access fee	\$84/year

This rate schedule comports with the rate schedule for On-Site approved by the Authority in Docket No. 99-00393 on January 11, 2000. The rate schedule does not list any commercial wastewater rates for this area.

On December 18, 2001, On-Site's Petition came before the Authority at a regularly scheduled Authority Conference. Upon consideration of the Petition and the entire record, the Authority finds that the present and future public convenience and necessity require the approval of On-Site's Petition. Pursuant to Tenn. Code Ann. § 65-4-201, the Authority grants On-Site's Petition.

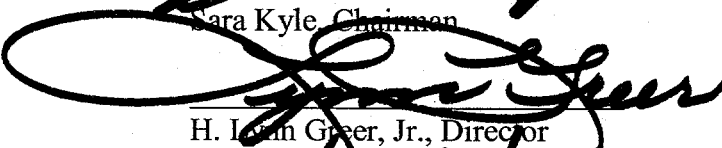
IT IS THEREFORE ORDERED THAT:

1. The Petition of On-Site Systems, Inc. to amend its Certificate of Public Convenience and Necessity to expand its service area to include a development in Bedford County known as the Horseshoe Bend Subdivision, as shown in the map attached to the Petition, is approved;
2. On-Site's rates for wastewater service to Horseshoe Bend shall be as listed in the rate schedule filed with On-Site's Petition and as set forth in this Order.

ATTEST:


K. David Waddell, Executive Secretary


Sara Kyle, Chairman


H. John Greer, Jr., Director


Melvin J. Malone, Director